UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS AMERICA, INC., and

SAMSUNG ELECTRONICS CO., LTD.,

Petitioner,

and

APPLE INC.,

Petitioner,

v.

SMARTFLASH LLC,
Patent Owner

Case CBM2014-00190[1]
Patent 7,334,720 B2

Before the Honorable JENNIFER S. BISK, RAMA G. ELLURU, JEREMY M. PLENZLER, and MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

PETITIONER'S RESPONSE TO PATENT OWNER'S NOTICE OF SUPPLEMENTAL AUTHORITY

[1] CBM2015-00118 (U.S. Patent 7,334,720 B2) was consolidated with this proceeding. Paper 31, 6-7.

By distinguishing the claims there from the type of claims here, *BASCOM* supports Petitioner, not PO. In *BASCOM* the Federal Circuit confirmed that it would have ruled differently if it had confronted claims to "an abstract-idea-based solution implemented with generic technical components in a conventional way." *BASCOM Global Internet Servs. v. AT&T Mobility LLC*, No. 2015-1763, 2016 WL 3514158, at *6, *7 (June 27, 2016). As established both by the unrebutted evidence here and by this Board's detailed findings, that quoted phrase describes PO's claims. The Board's Final Written Decision was correct.

PO has not even attempted to rebut Petitioner's Step 2 evidence that all claimed hardware was conventional, that all claimed functions performed by that conventional hardware were conventional, and that there is nothing inventive in the claimed combinations. *See, e.g.*, Reply at 11-21; Ex.1003 ¶¶ 113-128. PO similarly ignores the Board's findings that "the solution provided by the challenged claim is *not rooted in specific computer technology*, but is based on conditioning access to content based on payment or rules," and the '720 "treats as *well-known and conventional all potentially technical aspects*" of the Claims. FWD (Pap. 47) 16, 12.

That set of evidence and findings defeats PO's conclusory contention that its claims "improve[] the functioning *of the data access terminal*." PO's Notice (Pap. 45 ("N")) 2-3. PO's claims "merely rely on conventional devices and computer processes operating in their 'normal, expected manner.'" FWD 17 (citing *OIP*

Techs., 788 F.3d at 1363; *DDR*, 773 F.3d at 1258-59). They "perform[] generic computer functions such as storing, receiving, and extracting data" using "physical components" that "behave exactly as expected according to their ordinary use" and "merely provide a generic environment in which to carry out the abstract idea." *In re TLI Commc'ns LLC*, No. 2015-1372, 2016 WL 2865693, at *3, *4, *7 (Fed. Cir. May 17, 2016) (ineligible claims "directed to the use of conventional or generic technology"). PO's claims thus achieve no "result that overrides the routine and conventional uses of the recited devices and functions" and "are 'specified at a high level of generality,' which the Federal Circuit has found to be 'insufficient to supply an 'inventive concept.'" FWD 17-18 (citing *Ultramercial*, 772 F.3d at 716).

For the same reasons, there is no merit to PO's new, waived argument that it was "inventive" to combine payment data, content data, and rules on the data carrier. N 2-3. PO's specification admits: "The physical embodiment of the system is not critical and a skilled person will understand that the terminals, data processing systems and the like can all take a variety of forms." Ex. 1001 12:38-41. Further, as the Board found, the prior art discloses storing different types of content together, and combining rules and content on a data carrier does not give rise to an inventive concept. *See, e.g.*, FWD 19. The Board correctly rejected PO's actual argued combination of two stored elements (FWD 19-20) as conventional, and the unrebutted evidence here confirms that the combination newly argued by PO here

was likewise conventional before the priority date. *See* Exs. 1004 5:19-67, 7:63-8:4; 1005 7:23-33, 9:59-60; 1006, 89:6-7, 92:24-26, 96:19-21, 105:5-7; 1003 ¶¶ 31-128 (Bloom). Similarly, the Federal Circuit has repeatedly held that combining different types of data is not inventive. *See, e.g.*, *Digitech Image Techs., LLC v. Elecs. For Imaging, Inc.*, 758 F.3d at 1351 (combining two data sets into device profile); *Intellectual Ventures I LLC v. Capital One Bank*, 792 F.3d at 1368 (storing two data types in database); *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d at 1349 ("combining information" "to form" an output); *see also, e.g.*, Reply 11-21.[2] In short, PO's new, waived argument fails for the same reasons that its briefed arguments do.

In contrast to *BASCOM*'s "limited record" with the owner's allegations taken as true, *BASCOM*, at *4, *6, *7, here the wealth of unrebutted evidence and caselaw confirms ineligibility, and PO proffers no evidentiary or caselaw support to supply the inventive concept that is clearly lacking in the Claims.

[2] Despite PO's contrary suggestion (N 2), its own cited cases confirm preemption is still not the test. *Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, No. 2015-1570, 2016 WL 3606624, at *7 (Fed. Cir. July 5, 2016); *BASCOM*, at *8 (*Ultramercial*'s limitations "narrow[ing] the scope of protection through additional 'conventional' steps . . . did not make [them] any less abstract"). *See* Reply 22-31; FWD 21-22.

Respectfully submitted,

/Thomas A. Rozylowicz/

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Thomas A. Rozylowicz
Reg. No. 50,620
Fish & Richardson P.C.
3200 RBC Plaza
60 South Sixth Street
Minneapolis, MN 55402
T: 202-783-5070
F: 877-769-7945

(Control No. CBM2014-00190)

Attorney for Petitioner

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